

66-2007-030  
II-A-146



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

CERTIFIED MAIL #  
RETURN RECEIPT REQUESTED

The Corporate Trust Incorporated  
Agent for Service of Process for  
Petroleum Fuel and Terminal Company  
300 East Lombard Street  
Baltimore, MD 21202

Re: Notice of Violations: File No. AED/MSEB - 5081

Dear Agent:

On February 15-17, 1999, authorized representatives of the U.S. Environmental Protection Agency ("EPA") audited the Petroleum Fuel and Terminal Company ("Petroleum Fuel Company") gasoline terminal located at 5101 Erdman Avenue in Baltimore, MD. The EPA representatives also audited the Petroleum Fuel gasoline terminal located at 1622 South Clinton Street in Baltimore, MD, on March 3-4, 1999. The audits were conducted to determine compliance with the requirements of section 211(1) of the Clean Air Act ("Act"), 42 U.S.C. § 7545(1), and the gasoline detergent additization regulations issued thereunder, 40 C.F.R. Part 80, Subpart G (the "detergent regulations"). Where inappropriate fuels are used in internal combustion engines, the emission of harmful gases can increase significantly. Notwithstanding improvements in vehicle emission control, emissions from motor vehicles continue to make up a very large portion of all air pollution. Congress has established a program of improvement and regulation of fuels to protect our air quality from unnecessary pollution associated with the misfueling of vehicles.

The detergent regulations, at 40 C.F.R. §§ 80.155(b) and 80.168(b), provide that no person may blend detergent additives ("detergent") into gasoline unless the volumetric additive reconciliation ("VAR") requirements of the detergent program found in §§ 80.157 and 80.170, as applicable, are complied with.

The Clean Air Act at 42 U.S.C. § 7524 and the detergent regulations at 40 C.F.R. §§ 80.159 and 80.172 subject violators of these laws to a maximum civil penalty of \$25,000 per day for each violation occurring prior to January 30, 1997, and \$27,500 per day for each violation occurring after that date, plus the amount of the economic benefit or savings resulting from each violation. The detergent regulations further specify that any violation of the VAR detergent compliance standard shall constitute a separate day of violation for each and every day of the VAR compliance period in which the standard was violated. (40 C.F.R. §§ 80.159(g) and 80.172(g).)

As a result of the EPA audit of the Petroleum Fuel Company's Erdman Avenue Terminal, EPA has determined that the Erdman Avenue Terminal additized gasoline did not comply with detergent program VAR requirements found in §§ 80.157 or 80.170, as applicable, in violation of 40 C.F.R. §§ 80.155(b) or 80.168(b), respectively, in that:

- The detergent VAR compliance standard was not attained during three (3) compliance periods in 1995; and
- The additization equipment's detergent concentration setting was set beneath the detergent's required lowest additive concentration ("LAC") on sixteen (16) occasions in 1995 through 1998 (See Attachment 1.)

This constitutes a total of nineteen (19) violations of 40 C.F.R. §§ 80.155(b) or 80.168(b), as applicable, which occurred at the Petroleum Fuel Company's Erdman Avenue Terminal.

As a result of the EPA audit at the Petroleum Fuel Company's Clinton Street Terminal, EPA has determined that the Clinton Street Terminal additized gasoline that did not comply with detergent program VAR requirements found in §§ 80.157 or 80.170, as applicable, in violation of 40 C.F.R. §§ 80.155(b) or 80.168(b), respectively, in that:

- The detergent VAR compliance standard was not attained during three (3) compliance periods in 1995; and
- The additization equipment's detergent concentration was set beneath the detergent's required lowest additive concentration ("LAC") on eighteen (18) occasions in 1995 through 1996 (See Attachment 2.)

This constitutes twenty-one (21) violations of 40 C.F.R. §§ 80.155(b) or 80.168(b), as applicable, which occurred at the Petroleum Fuel Company's Clinton Street Terminal.

As the person that owns, leases, operates, controls or supervises the blending operation of both of the Petroleum Fuel Company's detergent blending facilities where the above violations occurred, Petroleum Fuel Company is liable for their

combined total of forty (40) violations of 40 C.F.R. §§ 80.155(b) or 80.168(b), as applicable, pursuant to 40 C.F.R. §§ 80.156(a)(4) or 80.169(a)(4), respectively.

Sections 211 and 205 of the Clean Air Act, 42 U.S.C. §§ 7545 and 7524, authorize the Administrator of EPA to assess a civil penalty of up to \$25,000 for every day of such violation occurring prior to January 30, 1997, and up to \$27,500 for every day of such violation occurring after that date, plus the economic benefit or savings resulting from the violations. Rather than initiating litigation, we propose a civil penalty for the violations alleged in this Notice of Violations of forty four thousand dollars (\$32,800).

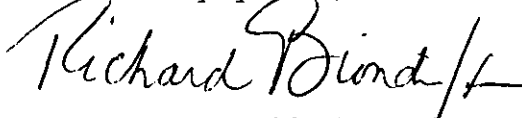
EPA encourages settlement of such matters. The settlement process provides flexibility for reducing the proposed penalty, particularly if the alleged violations have been corrected promptly and steps have been taken to ensure future compliance. If we cannot settle this matter promptly, we reserve the right to file an administrative complaint or refer this matter to the U.S. Department of Justice with a recommendation to file a civil complaint in federal district court.

The EPA attorney designated below has been assigned to this case. Please contact her regarding this Notice of Violations.

Judy Lubow, Attorney  
U.S. Environmental Protection Agency  
Mobile Source Enforcement Branch  
Air Enforcement Division  
12345 W. Alameda Parkway  
Suite 214  
Denver, CO 80228  
Phone Number: (303) 969-6483

Let me once again emphasize that while we take our obligation to enforce these regulations seriously, we will make every effort to reach an equitable settlement in this matter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Richard Biondelli", with a stylized flourish at the end.

Bruce C. Buckheit, Director  
Air Enforcement Division  
Office of Enforcement and Compliance Assurance

Attachments

Attachment 1

Petroleum Fuel Company  
Erdman Avenue Terminal  
Detergent Program Violation Occurrences

<b>Failing to Attain VAR Standard in Compliance period</b>	<b>Setting the Additization Equipment's Rate Beneath Lowest Additive Concentration</b>
May, 1995	May 3, 1995
June, 1995	May 8, 1995
October, 1995	June 21, 1995
	November 30, 1995
	September 6, 1996
	July 5, 1997
	July 13, 1997
	July 14, 1997
	September 19, 1997
	October 7, 1997
	January 7, 1998
	January 15, 1998
	May 29, 1998
	July 30, 1998
	September 17, 1998
	October 12, 1998
<b>Total: 3 VAR Misadditization Violations</b>	<b>Total: 16 Equipment Setting Violations</b>

## Attachment 2

### Petroleum Fuel Company Clinton Street Terminal Detergent Program Violation Occurrences

<b>Failing to Attain VAR Standard in Compliance period</b>	<b>Setting the Additization Equipment's Rate Beneath Lowest Additive Concentration</b>
July, 1995	May 6, 1995
August, 1995	May 9, 1995
September, 1995	July 11, 1995
	July 11, 1995
	July 19, 1995
	July 24, 1995
	July 28, 1995
	August 7, 1995
	August 11, 1995
	August 11, 1995
	August 21, 1995
	August 21, 1995
	August 25, 1995
	September 1, 1995
	September 3, 1995
	September 6, 1995
	September 11, 1995
	April 4, 1996
<b>Total: 3 VAR Misadditization Violations</b>	<b>Total: 18 Equipment Setting Violations</b>